

September 19, 2014

Representative Aric Nesbitt,
Chair
Standing Committee on Energy and Technology
Room 519
House Office Building, Lansing, MI

Re: HB 5806 -- Support

Dear Representative Nesbitt:

I am writing, on behalf of the members of NAESCO that do business in Michigan, to urge the Energy and Technology Committee to approve HB 5806.

Introduction to NAESCO

NAESCO is the leading national trade association of the energy services industry. NAESCO numbers among its members some of the world's leading energy services companies, including: ABM Energy, AECOM Energy, Aireko Energy Solutions, Ameresco, CM3 Building Solutions, Chevron Energy Solutions, Clark Energy Group, ClearEnergy Contracting, Climatec, , ConEdison *Solutions*, Constellation New Energy, Control Technologies and Solutions, CTI Energy Services, Energy Control, Energy Solutions Professionals, Energy Systems Group, Entegry, Excel Energy, The Fulcrum Group, NextEra Energy Solutions, Green Campus Partners, Honeywell, Johnson Controls, Lockheed Martin, M360, McClure Energy, Navitas, NORESO, Onsite Energy, Pepco Energy Services, Performance Services, Schneider Electric, Siemens Industry, Synergy Companies, Southland Industries, Trane, UCONS, Wendel Energy Services, and Wipro Limited. Utility members include the New York Power Authority, Pacific Gas & Electric, and Southern California Edison.

During the last twenty years, NAESCO member companies have implemented hundreds of millions of dollars worth of energy efficiency, renewable energy and distributed generation projects for Michigan commercial, institutional, industrial and residential customers. Nationally, NAESCO member company projects have produced:

- \$45 billion in projects paid from savings
- \$50 billion in savings – guaranteed and verified
- 400,000 person-years of direct employment
- \$30 billion of infrastructure improvements in public facilities
- 450 million tons of CO2 savings at no additional cost

NAESCO Support for HB 5806

NAESCO urges the Committee to approve HB 5806 because we believe that extending the maximum term of Energy Savings Performance Contracts (ESPC) in community colleges will deliver significant benefits to the people of Michigan. These benefits include:

- Helping colleges minimize the waste of taxpayer dollars in the operation of inefficient and obsolete equipment in college buildings;
- Enabling colleges to re-direct money currently spent on wasted energy into a payment stream for longer-payback retrofits (e.g., heating and air conditioning systems, roofs and geothermal systems) that significantly lower long-term operating costs;
- Relieving taxpayers of the burden of new taxes to pay for needed capital improvements in college facilities;
- Creating hundreds of good jobs for local construction contractors and trades people; and,
- Stimulating local economies by keeping dollars currently spent on wasted energy imported from other states and regions in Michigan.

Thank you in advance for the consideration of our request. We are happy to answer any questions that you, other members of the Committee, or Committee staff have about the benefits of extending the maximum terms of ESPC contracts.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald Gilligan", with a stylized flourish extending from the end.

Donald Gilligan
President